



Agenda Item No: 1.2
CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
BUSINESS BOARD: VIRTUAL MEETING MINUTES

Date: Monday, 27th July 2020

Time: 2.35pm – 4.55pm

Present: Austen Adams (Chairman), Tina Barsby, Mark Dorsett, Councillor John Holdich, Faye Holland, Aamir Khalid, Al Kingsley, Nicki Mawby, Jason Mellad, Andy Neely, Mayor James Palmer and Nitin Patel

**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

151. APOLOGIES AND DECLARATIONS OF INTEREST

The Chairman welcomed everyone to the Business Board meeting.

Apologies were received from Rebecca Stephens; Mark Dorsett and Kelly Swingler had advised that they would be late joining the meeting.

Councillor John Holdich declared a non-pecuniary interest in the University of Peterborough item (Minute 159).

Andy Neely declared an interest in the Growth Company item (Minute 160), advising that he was involved with one of consortia considering bidding for that contract, but the consortia was not currently looking to put forward a bid, so he was not conflicted at this point in time.

152. MINUTES OF THE MEETINGS HELD ON 26TH MAY AND 9TH JULY 2020

The minutes of the Business Board meetings held on 26th May and 9th July 2020 were agreed as correct records of those meetings.

Members noted the Action Log, and a number of updates since the previous Business Board meetings:

Minute 146 - The interviews for the Business & Market Engagement Officer role for the Business & Skills team had been held and the position offered, but unfortunately the candidate declined. Given this role was critical, the recruitment process would be expedited using an agency, and the details would be circulated to Business Board Members.

Minute 150 – The list of LGF applicants and projects was being finalised and would be circulated shortly.

Minutes 136 (132) – With regard to stakeholder mapping, it was noted that Business Board Members had been contacted and asked to provide their top ten contacts for the contact database. Members were requested to do this by the second week in August.

153. COMBINED AUTHORITY UPDATE

The Business Board considered a report on key headlines from the Combined Authority Board meeting held on 3rd June 2020.

It was usual for Members to consider a number of presentations on key projects under this item, but it was proposed that due to time constraints on the Business Board meetings, these would be presented via the Update meetings in future.

At the June Combined Authority Board meeting, the Market Town programme and Combined Authority Retraining Scheme had been approved. In addition, the Combined Authority Board approved the Active Travel Emergency Funding for Cambridgeshire and Peterborough as part of Covid-19 Recovery Programme.

Robert Jones of the Transport Programme Delivery Team gave a presentation on the development of Soham railway station. The original station building had been accidentally blown up in 1944, and the station was closed in 1965 as a result of the Beeching cuts.

Board Members noted the work that had been carried out to date, and that the detailed design work had commenced. Work on site was due to commence in September 2020, with the main track works starting in 2021. The station was due to open in May 2022, but the team was working with the contractor towards a December 2021 opening, but this revised date had not yet been formalised. The line was on the original Ely to Newmarket Line, which was on the direct line between Ipswich and Ely.

Nick Sweeney from the Housing Directorate gave a presentation on the £170M Affordable Housing Programme, which comprised £70M allocated to Cambridge City, £60M grant funding across the rest of Combined Authority area, and a £40M revolving fund. Board Members noted the numbers of completed units, starts on site and planned units. The £40M revolving fund was not distributed as grant, but used to support initiatives that provide housing, mainly as loans i.e. it was repaid and could be recycled, achieving savings that could translate as additional units. The Housing Directorate was also working through joint ventures, working with constituent authorities and other bodies such as Evera, who were redeveloping RAF Upwood for 485 units over two phases.

In addition to the Affordable Housing Programme, there was a community led housing team focused on supporting Community Land Trusts, currently focused on the £100K homes project. Nick explained how tenants benefited from a proportionate share of any increase in equity during their tenancies.

A Member queried the work underpinning the one bedroom homes for £100K, and why these were seen as more desirable in a growth area. It was confirmed that these were aimed at first time buyers, as it enabled them to get on the housing ladder instead of renting, especially as the comparable rent in south of the county was significantly higher than the mortgage on a £100K property.

A Member asked whether the pandemic was affecting progress and the supply chain in terms of construction. Officers advised that the industry more or less shut down for several months, and a proposal was going to the Combined Authority Board to grant

extensions to loans to developers, whose project cashflows had been seriously affected. In terms of the wider supply chains, officers had heard anecdotally of shortages of plaster and other raw materials.

It was noted that “funded units” with respect to the Revolving Grant related to the number of affordable units.

It was unanimously resolved to:

- (a) Note the Decision Statement of the Combined Authority Board meeting held on 3 June 2020 (Appendix 1 to the report);
- (b) Note the CPCA update presentations on Soham Station and Affordable Housing Programme; and
- (c) Note that future CPCA update presentations will now be covered at Business Board Activity Update meetings.

154. UPDATE ON THE BUSINESS BOARD ACTIVITIES IN RELATION TO THE IMPACT OF COVID-19 ON BUSINESSES

Members considered an update on the Business Board response to Covid-19.

Members were reminded that at the May Business Board meeting, they had considered the tactical responses being made to target support to businesses impacted by the lockdown effects of the Covid-19 pandemic, including the Mayoral Combined Authority M9 discussions with MHCLG, the Combined Authority’s response, and also the new Business Board grant and loans provision and the Covid-19 Capital Grants Scheme. Moving forward, resources were focused on ‘restart, recovery, rebound and renew’. A first draft of initial ideas had been created for the Recovery Strategy, based on a broad range of ideas and evidence bases. It was noted that a separate report on the OxCam groups of LEPs would be presented to a future meeting.

The Business Board had approved expenditure of £189K at their May meeting for additional econometric research and development of an evidence base, building on an initial evidence gathering exercise carried out by Hatch Regeneris. There had been some criticism of this initial work, suggesting that it had not been sufficiently evidence based, and it was therefore proposed that the further piece of work was evidence heavy but recommendation light, leaving the recommendations for the Business Board and businesses.

It was recommended that this new and emerging evidence and initial ideas were discussed and developed by a sub-group of Business Board Members through two half day workshops during August 2020, so that a broad cross-section of Members could provide specific input in to the Strategy at an early stage

The Chairman was pleased that a more detailed evidence based report had been commissioned, and observed that it required careful management as different

stakeholders would be pulling in different directions, so the Business Board steer would be essential.

One Member commented that much hinged on the additional work that had been commissioned, and asked officers if they were confident that timescales were sufficient to enable the Strategy to be completed and delivered, noting the proposal for the Business Board to consider the Strategy at its September meeting. Officers acknowledged that timescales for the Economic Strategy were tight, but that it was feasible to have a first iteration in time for the September meeting. It was confirmed that the £189K funding for additional research would include future iterations until March, and a specific refresh would be presented to the March Business Board. It was noted that there was already a lot of evidence available nationally, the issue was tailoring this and obtaining the sub-sector and place evidence for Cambridgeshire and Peterborough.

Another Member commented that whilst the original recommendations in the Hatch Regeneris report may have been lacking in some respects, the evidence presented on the economy had been useful, especially the dependence on the Education sector across the region, not just the University sector but also Further Education and Language Schools. He suggested that more regular updates were required, along with an annual refresh, observing there was almost a need for real time data. Officers advised that a dashboard would be presented to Business Board Members on a monthly basis after September. The Member observed that the other interesting fact was the rate of growth: even if there was no second wave, growth in GVA was 8% pre-Covid, which gave an idea of the size of the challenge in terms of recovery.

One Member felt it was important that there should be one set of reporting across the region going forward. She also felt that it was critical to have that business voice, and have a split between the three geographic regions.

One Member noted the likely growth of unemployment in the region (an estimated increase of 50,000), and suggested a key element of the strategy would be how the Business Board can intervene and support people back into employment.

Responding to comments, officers agreed that granular business understanding was critical. They also advised that future versions of the Strategy would include an expanded range of priority sectors, to include Retail, Hospitality, Leisure, Construction, Transport and General Manufacturing supply chains. It was also confirmed that a very wide range of rebound rates were anticipated, and the Strategy would need to be adjusted to deal with these.

Austen Adams, Al Kingsley, Faye Holland, Andy Neely, Nicki Mawby, Nitin Patel and Jason Mellad indicated that they would like to participate in the Business Board Sub-Group.

It was unanimously resolved to:

- (a) Note the activities of the Economic Recovery Sub-Group, as Chaired by the Chief Officer of the Business Board, in the development of a Local Economic Recovery Strategy;

(b) Approve the appointment of the Business Board Sub-Group; and

(c) Nominate Austen Adams, Al Kingsley, Faye Holland, Andy Neely, Nicki Mawby, Nitin Patel and Jason Mellad to join the Business Board Sub-Group.

155. BUSINESS BOARD FINANCE UPDATE

Members considered an update and overview of the revenue funding lines within the Business & Skills Directorate, to enable them to make informed decisions regarding the expenditure of these funds. The figures presented were to 31st May 2020. Officers highlighted a number of revisions to the format of the report, as requested by Business Board Members at their May meeting, they had also reduced the duplication of information which was included within other reports. It was noted that the position had moved on significantly since the end of May, as the landscape was changing very quickly at the moment.

Arising from the report, a Member commented favourably on the much clearer presentation of information, and asked if data could be provided for the next financial year, in line with the information provided to the Skills Committee, but tailored to the Business Board's output. It was noted that having a 2-3 year scope on the numbers would show the difference between annual budgets and those longer term sources of funding which needed to last several years, such as the LEP capacity building. The Member acknowledged this point, but commented that having a forward look would be helpful. **Action required.**

An error was noted in Table 1.3 of the report: the 20/21 total spent/forecast (grand total) was incorrect, and should be around £80M, and not £18.5M. Officers agreed to correct this.

(Mark Dorsett joined the meeting)

It was unanimously resolved to:

Note the update and financial position relating to the revenue and capital funding lines within the Business & Skills Directorate.

156. LOCAL GROWTH FUND PROGRAMME MANAGEMENT REVIEW – JULY 2020

The Business Board received an update on the Local Growth Fund (LGF) programme performance since April 2015, including operational updates on the various streams of funding up to July 2020, including grants, loans and recycled funds from loans being repaid, such as the Growing Places Loan Fund

At its Extraordinary General Meeting on 9th July, the Business Board had formally accepted the allocation of £14.6M from MHCLG, and developing the highest ranked project as the basis for this allocation. The formal announcement from MHCLG was expected shortly. The Cities and Local Growth Unit paid the Combined Authority two-thirds of the £35M payment for 2020/21 in May 2020, with the remaining funding

staggered and dependent on periodic reviews. There were currently 16 projects in delivery, with nine in contract negotiation. Four of those in contract negotiation were very close to signing off grant funding agreements shortly, whilst the others were more complex.

A change request had formally been issued to the LGF for the Wisbech Access Strategy Project, and officers felt that this was a reasonable request in terms of what could be delivered within the possible spending timeframe deadlines. This would result in £4.5M being returned to the overall fund for reallocation. In addition, there were three other LGF projects that had been withdrawn: M11 Junction 8, Cambridge Northern Fringe - Sci Tech Container Village, and Wisbech Construction Careers Hub.

In total, 21 LGF projects had been completed, and the reporting/evaluation process was noted. The fourth quarter for 2019/20 return to government had been delayed due to Covid-19, but had subsequently been submitted. Progress with the Growth Deal and Covid-19 Capital Grant scheme and Micro Business Scheme and Eastern Agri-tech were noted. In terms of monitoring and evaluation, projects continued to be monitored on a quarterly basis.

One Member asked whether officers were confident that the underspend would be allocated and spent. Officers confirmed that this was the case, and that they constantly refresh the funding available to deploy.

It was unanimously resolved to:

- (a) Recommend that the Combined Authority Board note all the programme updates outlined in this paper;
- (b) Recommend the Combined Authority Board approve the change request for the Wisbech Access Strategy project;
- (c) Note the funding position and forecast for Local Growth Fund Projects in delivery; and
- (d) Note the summary of funding streams under management of the Board.

157. LOCAL GROWTH FUND PROJECT PROPOSALS

The Business Board considered a report on applications that have been submitted for Local Growth Fund project proposals, with a view to making recommendations to the Combined Authority Board. The report also included an update on the pipeline of projects based upon the independent external assessment undertaken.

Following an initial internal assessment for suitability of the Expression of Interests received, there were three that were invited to submit Full Application Forms, which had subsequently been completed and subjected to the independent external assessment. It was noted that the Entrepreneur Advisory Panel (EAP) had held virtual meetings in June and July to review presentations made by the project applicants and question the projects on rationale, strategic fit, and clearly defined, measurable outputs. The details

of the three projects, the funds requested were noted, along with the scoring criteria and ranking of the projects.

In discussion, it was noted that the initial Expressions of Interest were officer evaluated, and could really skew the results, as a weak market case could look stronger than it was, and weaknesses only emerged when the project was appraised in greater detail. Officers agreed to review the process going forward. **Action required.**

It was unanimously resolved to:

- (a) Recommend that the Combined Authority Board approve funding for the project numbered 1, in table 2.11 in the report based on the project achieving the highest scoring criteria and external evaluation recommendation;
- (b) Recommend that the Combined Authority Board approve a revised grant funding offer of £2,500,000, for the project numbered 2 in table 2.11 in the report based on the project achieving the second highest scoring criteria and external evaluation recommendation; and
- (c) Recommend that the Combined Authority decline project numbered 3 in table 2.11 in the report based on the scoring criteria and this being the lowest scoring project.

158. EASTERN AGRITECH GROWTH INITIATIVE FUNDING REVIEW

The Business Board received a report proposing changes to the criteria for bidders to the current Eastern Agri-tech Grant offer.

The Eastern Agri-tech Growth Initiative had been running for six and a half years, with £5.5M deployed to date, and £1.695M still to be committed. There were 18 live projects across the Business Board /New Anglia Local Enterprise Partnership (NALEP) geography, which were on track to complete to their planned schedules. NALEP had contributed another £1M to this last phase of the Initiative.

It was proposed to increase the grant intervention rate from 25% to 50%, to 'level up' the two parts of the scheme so the Growth Grant offered, and to ensure the growth grant was in line with recent COVID Grant and MICRO Business schemes. This change in criteria should ensure that the remaining funding was committed.

A Member observed that the absence of the Programme Manager, Martin Lutman, had slowed down the number of submissions. Coupled with the criteria changes, the uptake of the grant should increase following his return.

It was unanimously resolved to:

- (a) Recommend to Combined Authority Board to approve a change in the criteria for the Eastern Agri-Tech Growth Initiative scheme raising the grant intervention rate from 25% to 50% on the Growth Grant part of the scheme; and

- (b) Recommend to Combined Authority Board to delegate authority to the Director of Business and Skills to make any further changes in criteria or operation of the scheme to ensure all funds are awarded by end of March 2021.

159. UNIVERSITY OF PETERBOROUGH – FULL BUSINESS CASE – PHASE 1

The Business Board considered the Full Business Case for the University of Peterborough, which would be presented to the Combined Authority for approval in August.

The Full Business Case covered all the relevant legal documentation and delegated authority, the legal authority to mobilise the Board, the award of the Higher Education Partner to Anglia Ruskin University (ARU), relevant Planning Permissions and submissions, procurement and selection of the main contractor for the JCT Design and Build Contract. For the Build Contract, three full tenders had recently been received from contractors. A number of meetings and workshops had been run with ARU over the last 6-7 weeks to ensure everything was adequately tested post Covid-19 in terms of student demand data, business engagement strategies, key stakeholder engagement, communication and marketing strategies.

At the invitation of the Chairman, Al Kingsley provided his perspective on the project, as he had been closely involved in the process. Al advised that there had been a lot of discussions about reducing and mitigating project risks, and understanding tolerances. The University of Peterborough would be different to the traditional University model, offering both in-house University courses as well as workplace degrees, and the need for flexibility was crucial. A lot of attention had been given to how resilient the Business Case would be if there was a significant change in the number of students looking to enrol. The model did provide flexibility in terms of courses and flexing costs, although there would always need to be a core cohort of staff. The timing of the project could be an important catalyst to the post-Covid recovery.

A Member commented that it was important to monitor this project closely, as the project was vulnerable to factors such as changes in student numbers and the level of student fees. The views of large local employers was key, and how they stay engaged in this.

One Member commented that connectivity with employers was more challenging in the Covid environment, and as one of the largest employers in the area, his company had not been particularly well connected to the project, and he was keen to work more closely with officers to play a bigger part. Officers acknowledged these comments, and advised that this was in part due to the procurement processes. Work was already ongoing to introduce ARU to existing networks and other businesses in the Peterborough area to engage fully. Degree courses would be validated in the next 3-4 months before being marketed.

In response to a Member question, it was confirmed that both undergraduate and postgraduate courses would be offered in the first phase.

The Chairman thanked Andy Neely and Al Kingsley, and also all the officers involved in the project.

It was unanimously resolved to:

Note the report

(Andy Neely left the meeting)

160. CORPORATE GOVERNANCE FOR GROWTH COMPANY

The Business Board considered a report on the governance arrangements for the new Growth Company.

Members were reminded that in November 2019, the Combined Authority Board had endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of the Growth Service Management Company, initially to be a wholly owned subsidiary of Angle Holdings Limited, to manage the growth service. In response to a Member question, the relationship between Angle Holdings and the Growth Company was briefly outlined. The Full Business Case would be presented to the Skills Committee, Business Board and Combined Authority Board in September.

It was noted that once the conditions on the LGF investment were met, the Growth Company would issue 5.407M additional shares to the Combined Authority in return for the £5.407M LGF investment, and at this point, the CPCA will become the majority shareholder and would operate control directly rather than through Angle Holdings Ltd. It was confirmed that the LGF funding would go directly to the Growth Company. It was proposed that the Chairperson would be independent, and have specialist knowledge in high growth and scale up businesses, and an in-depth understanding of interventions in the business and skills arena. Executive power would sit with the Programme Management Board, and the Chairman commented that the Business Board having a voice on that body was vital. It was also noted that the by sub-contracting to the private sector to deliver services would better control risks, putting a contractual relationship on the critical path, with contractors paid by outcomes. The Chairman commented that it was important that the Business Board had a place on the Contract Management Board.

It was unanimously resolved to endorse:

- (a) The Corporate Governance Arrangements for Growth Co, as set out in section 3 of the report;
- (b) The Growth Co Business Case, as set out in Appendix 1 to the report; and
- (c) The Growth Co Business Plan, as set out in Appendix 2 to the report.

161. MARKET TOWNS PROGRAMME UPDATE

The Business Board considered an update following the recent launch of the Investment Prospectus for the Combined Authority Market Towns Programme.

A masterplan for each of the eleven market towns (St Neots being the pilot town) across the region provided the opportunity to look at the unique features of each town and offer deliverables which would benefit the immediate and wider economy. The Combined Authority was providing capital investment to mobilise each town masterplan and to act as a funding catalyst to securing additional investment. A total of £10M Combined Authority capital had been allocated to support the delivery and implementation of the ten approved Market Town Masterplans. The bidding process was outlined and it was noted that all funding applications would be assessed in accordance with detailed call specifications and criteria, set against delivery and implementation of approved Masterplan priorities and actions, and interventions to support Covid-19 economic recovery. Officers thanked Al Kingsley and Faye Holland for their input into the process.

It was noted that the Combined Authority Board had agreed that £3.1M funding be re-allocated to projects to support delivery of the St Neots Masterplan, and to recycle the market town investment back into St Neots through the Investment Prospectus

The next round of projects was expected to come in September for approval, and Business Board members would be invited to be involved in the evaluation of those applications.

It was unanimously resolved to:

Note the progress being made with the Cambridgeshire and Peterborough Combined Authority's Market Towns Programme and the update on the recently launched Investment Prospectus in support of Masterplan delivery.

162. BUSINESS BOARD COMMUNICATIONS UPDATE

The Business Board received an update on Business Board related communications and Public Relations activity.

Business & Skills communications messaging had in June focused on telling the story of recovery, providing support to business and job seekers so they could get back to business once the restrictions allowed.

The Combined Authority communications team has gone through a fundamental digital transformation over recent months, which had been accelerated because of the pandemic and the need to engage directly with stakeholders, requiring much more agile and flexible working through targeted social media, videos, webinars and other digital tools.

Officers requested that Business Board members assist with publicising the Business & Market Engagement Officer vacancy, either through direct individual candidates or their wider business networks. There was the possibility of a twelve month secondment if that

was the preferred option of a suitable candidate: it was a vital role that would make a big difference.

One Member thanked the communications team for their hard work over recent months, especially given the fundamental shift in how communications were managed. She stressed the importance of being agile and flexible, especially as there was increasing fatigue with Zoom/Teams engagement. She also stressed the need for clear delineation in communications from the Mayor, the Combined Authority, Business Board and Business & Skills Directorate.

The Chairman commented positively on the quality and frequency of communications resources over the past few months, and requested an outline of communications priorities on next 4-6 weeks. **Action required.**

It was unanimously resolved to:

Note the update on recent Business Board related communication activity for June 2020.

163. BUSINESS BOARD HEADLINES FOR THE COMBINED AUTHORITY

It was noted that the Chairman would be participating in the Combined Authority Board meeting on 5th August 2020. The Business Board recommendations to the Combined Authority Board were noted.

164. BUSINESS BOARD FORWARD PLAN

Members considered the Business Board Forward Plan.

It was noted that there had been a delay with the Agri-tech Strategy due to Covid-19, as the Steering Board had not met for some time. Recent communications referred to both Covid-19 and a consequent slight change to the Terms of Reference. Officers advised that the impact of Covid-19 would be included in all sector strategies. It was noted that the delay would only be a few weeks.

It was resolved to:

Note the Forward Plan.